

## **VISITATIONS POLICY**

### **OVERVIEW**

Visitations are required to be conducted **within** 12 months after an examination in which a composite "3" compliance rating has been assigned. The 12 month time frame is measured from the previous examination start date.

### **Policy Objective(s)**

The primary objective is to:

- Determine the financial institution's progress in complying with the requirements of an informal or formal enforcement action and correcting deficiencies noted at the previous examination or visitation

### **In This Section**

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### **VISITATION GUIDELINES**

Visitations scheduled for reasons other than ascertaining the compliance posture of a composite "3" rated financial institution, or within a shorter time interval, will be at the discretion of the Regional Director.

Visitations can be scheduled, at any time, for reasons such as:

- Ascertaining the compliance/CRA posture of a financial institution that is newly chartered, involved in a recent or proposed merger, or recently converted to state nonmember status
- Investigating problems identified from information obtained from a financial institution or third party

**VISITATION  
GUIDELINES  
(cont'd)**

- Determining the extent of corrective action taken by a financial institution with a composite compliance rating of "4" or "5," or a composite CRA rating or state or multi-state rating of "Needs to Improve" or "Substantial Noncompliance" since its last examination or visitation
- Ascertaining a financial institution's compliance with a formal or informal enforcement action

<b>Visitation Guidelines</b>	
1.	Consider the recommendation of the previous Examiner-in-Charge (noted on Page A, Compliance – Supervisory Section in the confidential pages) for scheduling follow-up visitations.
2.	Tailor the visitation to address the financial institution's deficiencies or concerns identified in the previous Compliance Report of Examination or from other information.
3.	<p>Visitations may be expanded to a regular compliance/CRA examination with the Examiner-in-Charge's recommendation and Regional Director's concurrence.</p> <p>This recommendation should be considered in situations where:</p> <ul style="list-style-type: none"> <li>• Significant deficiencies are noted in a financial institution's compliance/CRA policies or procedures</li> <li>• Significant noncompliance is noted regarding previously criticized areas</li> <li>• Significant noncompliance with an informal or formal enforcement action is noted</li> </ul>

**EXAMINER  
RESPONSI-  
BILITIES****General  
Procedures**

<b>General Procedures</b>	
1.	Perform appropriate PEP procedures prior to the commencement of the on-site visitation. These procedures include review of: last Report of Examination, and correspondence and complaint files. The financial institution should be notified of the date of the visitation. A PEP memorandum is not required.

**EXAMINER  
RESPONSI-  
BILITIES  
(cont'd)****General  
Procedures  
(cont'd)**

2. Conduct visitation. An initial meeting with management should define the scope of the visitation.

3. If applicable, prepare violations list and leave copy with management at the closing management meeting. Examiners will use the violations pages from the Report of Examination and include these pages with the visitation report submitted to the Regional Office.

4. Conduct closing management meeting with management and, if the situation warrants, a meeting with the board.

*Refer to the Closing Management and Board Meetings Policy, Part V, Section B of this manual.*

5. Prepare Report of Visitation and forward to the Regional Office.

**Report of  
Visitation**

The Report of Visitation consists of the following pages:

**Prepare the Report of Visitation**

1. Prepare the Data Entry Form.

- Complete the Data Entry Form accessed through the automated Report of Examination
- Complete all date fields
- Categorize hours in the same manner as a regular examination

*Refer to the Compliance Statistical System (CSS) Appendix, Appendix C-1 of this manual, for more detailed information regarding instructions for completing the Data Entry Form.*

*NOTE: If Regional Policy is to forward the visitation report, violations pages would be included. If Regional policy is to summarize the findings of the visitation, the violations should be summarized in a letter to the financial institution.*

**EXAMINER  
RESPONSI-  
BILITIES  
(cont'd)**

**Report of  
Visitation  
(cont'd)**

2. Prepare Page 1 (Report of Visitation – Compliance) (required).
  - Use Single-Page Visitation format or Multi-Page Visitation format  
*Refer to the Sample Visitations section under Part VII, Section F, in this manual.*
  - Use topical headings, such as those used to prepare Page 1 comments for the Compliance Report of Examination
  - Provide a recommendation to the Regional Office on whether to remove or retain reporting requirements contained within the formal or informal enforcement action (include on either Page 1 or Page A)
3. If the examiner reviewed compliance with each provision of the outstanding enforcement action at the visitation and included that information in a visitation report forwarded to the financial institution, only those provisions which the bank had not complied with would be discussed in the next report of examination.  
  
 The examiner would make reference to the visitation report and its discussion of the compliance with the provisions of the enforcement action. If all the provisions had been complied with, and the visitation report forwarded to the institution reflected this information, the examiner would state that the visitation of xx/xx/xx had determined full compliance with the outstanding enforcement action and that this examination determined continued compliance.  
  
 If a transmittal letter summarizing the visitation is forwarded to the institution rather than a visitation report, the examiner must address each provision in the next report of examination.  
  
 The financial institution must receive, either in the visitation report, report of examination, or both, a discussion of compliance with the provisions of the outstanding enforcement action.
4. Prepare Violations Pages (if applicable).

**EXAMINER  
RESPONSIBILITIES  
(cont'd)****Report of  
Visitation  
(cont'd)**

5. Prepare Page A (Compliance – Supervisory Section) (optional).
  - Prepare if Report of Visitation is returned to the financial institution and sensitive information is included
  - Provide recommendation to the Regional Office on whether to remove or retain reporting requirements contained within outstanding formal or informal enforcement actions (include on either Page 1 or Page A)
6. Forward the Report of Visitation to the Regional Office in accordance with established policy.

**REGIONAL  
OFFICE  
RESPONSIBILITIES**

The Regional Office will conduct a review.

At the discretion of the Regional Director, the Regional Office will forward a summary of visitation findings to the financial institution, by either of the following:

- Transmittal letter only
- Transmittal letter and Report of Visitation

*NOTE: Visitations **may** result in the removal of informal enforcement actions, but **will not** result in rating(s) changes or in removal of formal enforcement actions.*

**WORKPAPER  
STANDARDS**

Appropriate workpapers must be completed for applicable areas reviewed during each visitation. Refer to Standardized Workpapers, Appendix K, in this manual.



***FDIC LAW,  
REGULATIONS,  
& RELATED  
ACTS***

**Applicable Rules**

None

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**Advisory  
Opinions**

None

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**Statements of  
Policy**

None

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***DCA  
MEMORANDA***

None

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***FINANCIAL  
INSTITUTION  
LETTERS (FIL)***

None

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